

105TH CONGRESS  
2D SESSION

# H. R. 3917

To amend the Internal Revenue Code of 1986 to change the determination of the 50,000-barrel refinery limitation on oil depletion deduction from a daily basis to an annual average daily basis.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 20, 1998

Mr. McCRERY (for himself, Mr. WATKINS, Mr. SAM JOHNSON, Mr. JEFFERSON, Mr. TAUZIN, Mr. COOKSEY, Mr. JOHN, Mr. LIVINGSTON, Mr. BAKER, and Mr. WATTS of Oklahoma) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to change the determination of the 50,000-barrel refinery limitation on oil depletion deduction from a daily basis to an annual average daily basis.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DETERMINATION OF LARGE REFINER EXCEP-**  
4 **TION TO OIL DEPLETION DEDUCTION.**

5 (a) IN GENERAL.—Section 613A(d)(4) of the Inter-  
6 nal Revenue Code of 1986 (relating to certain refiners ex-  
7 cluded) is amended to read as follows:

1           “(4) CERTAIN REFINERS EXCLUDED.—If the  
2           taxpayer or a related person engages in the refining  
3           of crude oil, subsection (c) shall not apply to the  
4           taxpayer for a taxable year if the average daily refin-  
5           ery runs of the taxpayer and the related person for  
6           the taxable year exceed 50,000 barrels. For purposes  
7           of this paragraph, the average daily refinery runs for  
8           any taxable year shall be determined by dividing the  
9           aggregate refinery runs for the taxable year by the  
10          number of days in the taxable year.”

11          (b) EFFECTIVE DATE.—The amendment made by  
12          this section applies to taxable years beginning after De-  
13          cember 31, 1997.

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